

105TH CONGRESS  
2D SESSION

# S. 1642

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## AN ACT

To improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Federal Financial As-  
5       sistance Management Improvement Act of 1998”.

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1 **SEC. 2. FINDINGS.**

2 The Congress finds that—

3 (1) there are over 600 different Federal finan-  
4 cial assistance programs to implement domestic pol-  
5 icy;

6 (2) while the assistance described in paragraph  
7 (1) has been directed at critical problems, some Fed-  
8 eral administrative requirements may be duplicative,  
9 burdensome or conflicting, thus impeding cost-effec-  
10 tive delivery of services at the local level;

11 (3) the Nation's State, local, and tribal govern-  
12 ments and private, nonprofit organizations are deal-  
13 ing with increasingly complex problems which re-  
14 quire the delivery and coordination of many kinds of  
15 services; and

16 (4) streamlining and simplification of Federal  
17 financial assistance administrative procedures and  
18 reporting requirements will improve the delivery of  
19 services to the public.

20 **SEC. 3. PURPOSES.**

21 The purposes of this Act are to—

22 (1) improve the effectiveness and performance  
23 of Federal financial assistance programs;

24 (2) to simplify Federal financial assistance ap-  
25 plication and reporting requirements;

1           (3) to improve the delivery of services to the  
2       public; and

3           (4) to facilitate greater coordination among  
4       those responsible for delivering such services.

5 **SEC. 4. DEFINITIONS.**

6       In this Act:

7           (1) DIRECTOR.—The term “Director” means  
8       the Director of the Office of Management and Budg-  
9       et.

10          (2) FEDERAL AGENCY.—The term “Federal  
11       agency” means any agency as defined under section  
12       551(1) of title 5, United States Code.

13          (3) FEDERAL FINANCIAL ASSISTANCE.—The  
14       term “Federal financial assistance” has the same  
15       meaning as defined in section 7501(a)(5) of title 31,  
16       United States Code, under which Federal financial  
17       assistance is provided, directly or indirectly, to a  
18       non-Federal entity.

19          (4) LOCAL GOVERNMENT.—The term “local  
20       government” means a political subdivision of a State  
21       that is a unit of general local government (as de-  
22       fined under section 7501(a)(11) of title 31, United  
23       States Code);

1           (5) NON-FEDERAL ENTITY.—The term “non-  
2       Federal entity” means a State, local government, or  
3       nonprofit organization.

4           (6) NONPROFIT ORGANIZATION.—The term  
5       “nonprofit organization” means any corporation,  
6       trust, association, cooperative, or other organization  
7       that—

8                 (A) is operated primarily for scientific,  
9                 educational, service, charitable, or similar pur-  
10                poses in the public interest;

11               (B) is not organized primarily for profit;  
12               and

13               (C) uses net proceeds to maintain, im-  
14               prove, or expand the operations of the organiza-  
15               tion.

16           (7) STATE.—The term “State” means any  
17       State of the United States, the District of Columbia,  
18       the Commonwealth of Puerto Rico, the Virgin Is-  
19       lands, Guam, American Samoa, the Commonwealth  
20       of the Northern Mariana Islands, and the Trust  
21       Territory of the Pacific Islands, and any instrumen-  
22       tality thereof, any multi-State, regional, or interstate  
23       entity which has governmental functions, and any  
24       Indian Tribal Government.

1           (8) TRIBAL GOVERNMENT.—The term “tribal  
2       government” means an Indian tribe, as that term is  
3       defined in section 7501(a)(9) of title 31, United  
4       States Code.

5           (9) UNIFORM ADMINISTRATIVE RULE.—The  
6       term “uniform administrative rule” means a govern-  
7       ment-wide uniform rule for any generally applicable  
8       requirement established to achieve national policy  
9       objectives that applies to multiple Federal financial  
10      assistance programs across Federal agencies.

11 **SEC. 5. DUTIES OF FEDERAL AGENCIES.**

12      (a) IN GENERAL.—Not later than 18 months after  
13      the date of enactment of this Act, each Federal agency  
14      shall develop and implement a plan that—

15           (1) streamlines and simplifies the application,  
16      administrative, and reporting procedures for Federal  
17      financial assistance programs administered by the  
18      agency;

19           (2) demonstrates active participation in the  
20      interagency process under section 6(a)(2);

21           (3) demonstrates appropriate agency use, or  
22      plans for use, of the common application and report-  
23      ing system developed under section 6(a)(1);

1           (4) designates a lead agency official for carry-  
2           ing out the responsibilities of the agency under this  
3           Act;

4           (5) allows applicants to electronically apply for,  
5           and report on the use of, funds from the Federal fi-  
6           nancial assistance program administered by the  
7           agency;

8           (6) ensures recipients of Federal financial as-  
9           sistance provide timely, complete, and high quality  
10          information in response to Federal reporting re-  
11          quirements; and

12          (7) establishes specific annual goals and objec-  
13          tives to further the purposes of this Act and meas-  
14          ure annual performance in achieving those goals and  
15          objectives, which may be done as part of the agen-  
16          cy's annual planning responsibilities under the Gov-  
17          ernment Performance and Results Act.

18          (b) EXTENSION.—If one or more agencies are unable  
19          to comply with the requirements of subsection (a), the Di-  
20          rector shall report to the Committee on Governmental Af-  
21          fairs of the Senate and the Committee on Government Re-  
22          form and Oversight of the House of Representatives the  
23          reasons for noncompliance. After consultation with such  
24          committees, the Director may extend the period for plan

1 development and implementation for each noncompliant  
2 agency for up to 12 months.

3 (c) COMMENT AND CONSULTATION ON AGENCY  
4 PLANS.—

5 (1) COMMENT.—Each agency shall publish the  
6 plan developed under subsection (a) in the Federal  
7 Register and shall receive public comment of the  
8 plan through the Federal Register and other means  
9 (including electronic means). To the maximum ex-  
10 tent practicable, each Federal agency shall hold pub-  
11 lic forums on the plan.

12 (2) CONSULTATION.—The lead official des-  
13 ignated under subsection (a)(4) shall consult with  
14 representatives of non-Federal entities during devel-  
15 opment and implementation of the plan. Consulta-  
16 tion with representatives of State, local, and tribal  
17 governments shall be in accordance with section 204  
18 of the Unfunded Mandates Reform Act of 1995 (2  
19 U.S.C. 1534).

20 (d) SUBMISSION OF PLAN.—Each Federal agency  
21 shall submit the plan developed under subsection (a) to  
22 the Director and Congress and report annually thereafter  
23 on the implementation of the plan and performance of the  
24 agency in meeting the goals and objectives specified under  
25 subsection (a)(7). Such report may be included as part

1 of any of the general management reports required under  
2 law.

3 **SEC. 6. DUTIES OF THE DIRECTOR.**

4 (a) IN GENERAL.—The Director, in consultation with  
5 agency heads, and representatives of non-Federal entities,  
6 shall direct, coordinate and assist Federal agencies in es-  
7 tablishing:

8 (1) A common application and reporting sys-  
9 tem, including—

10 (A) a common application or set of com-  
11 mon applications, wherein a non-Federal entity  
12 can apply for Federal financial assistance from  
13 multiple Federal financial assistance programs  
14 that serve similar purposes and are adminis-  
15 tered by different Federal agencies;

16 (B) a common system, including electronic  
17 processes, wherein a non-Federal entity can  
18 apply for, manage, and report on the use of  
19 funding from multiple Federal financial assist-  
20 ance programs that serve similar purposes and  
21 are administered by different Federal agencies;  
22 and

23 (C) uniform administrative rules for Fed-  
24 eral financial assistance programs across dif-  
25 ferent Federal agencies.



1           (2) An interagency process for addressing—

2               (A) ways to streamline and simplify Fed-  
3           eral financial assistance administrative proce-  
4           dures and reporting requirements for non-Fed-  
5           eral entities;

6               (B) improved interagency and intergovern-  
7           mental coordination of information collection  
8           and sharing of data pertaining to Federal fi-  
9           nancial assistance programs, including appro-  
10          priate information sharing consistent with the  
11          Privacy Act of 1974; and

12              (C) improvements in the timeliness, com-  
13          pleteness, and quality of information received  
14          by Federal agencies from recipients of Federal  
15          financial assistance.

16          (b) LEAD AGENCY AND WORKING GROUPS.—The Di-  
17   rector may designate a lead agency to assist the Director  
18   in carrying out the responsibilities under this section. The  
19   Director may use interagency working groups to assist in  
20   carrying out such responsibilities.

21          (c) REVIEW OF PLANS AND REPORTS.—Agencies  
22   shall submit to the Director, upon his request and for his  
23   review, information and other reporting regarding their  
24   implementation of this Act.

1 (d) EXEMPTIONS.—The Director may exempt any  
2 Federal agency or Federal financial assistance program  
3 from the requirements of this Act if the Director deter-  
4 mines that the Federal agency does not have a significant  
5 number of Federal financial assistance programs. The Di-  
6 rector shall maintain a list of exempted agencies which  
7 will be available to the public through OMB’s Internet  
8 site.

9 **SEC. 7. EVALUATION.**

10 (a) IN GENERAL.—The Director (or the lead agency  
11 designated under section 6(b)) shall contract with the Na-  
12 tional Academy of Public Administration to evaluate the  
13 effectiveness of this Act. Not later than 4 years after the  
14 date of enactment of this Act, the evaluation shall be sub-  
15 mitted to the lead agency, the Director, and Congress. The  
16 evaluation shall be performed with input from State, local,  
17 and tribal governments, and nonprofit organizations.

18 (b) CONTENTS.—The evaluation under subsection (a)  
19 shall—

20 (1) assess the effectiveness of this Act in meet-  
21 ing the purposes of this Act and make specific rec-  
22 ommendations to further the implementation of this  
23 Act;

1           (2) evaluate actual performance of each agency  
2           in achieving the goals and objectives stated in agen-  
3           cy plans;

4           (3) assess the level of coordination among the  
5           Director, Federal agencies, State, local, and tribal  
6           governments, and nonprofit organizations in imple-  
7           menting this Act.

8   **SEC. 8. COLLECTION OF INFORMATION.**

9           Nothing in this Act shall be construed to prevent the  
10          Director or any Federal agency from gathering, or to ex-  
11          empt any recipient of Federal financial assistance from  
12          providing, information that is required for review of the  
13          financial integrity or quality of services of an activity as-  
14          sisted by a Federal financial assistance program.

15   **SEC. 9. JUDICIAL REVIEW.**

16          There shall be no judicial review of compliance or  
17          noncompliance with any of the provisions of this Act. No  
18          provision of this Act shall be construed to create any right  
19          or benefit, substantive or procedural, enforceable by any  
20          administrative or judicial action.

21   **SEC. 10. STATUTORY REQUIREMENTS.**

22          Nothing in this Act shall be construed as a means  
23          to deviate from the statutory requirements relating to ap-  
24          plicable Federal financial assistance programs.

1 **SEC. 11. EFFECTIVE DATE AND SUNSET.**

2       This Act shall take effect on the date of enactment  
3 of this Act and shall cease to be effective five years after  
4 such date of enactment.

      Passed the Senate October 12 (legislative day, October 2), 1998.

Attest:

*Secretary.*

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